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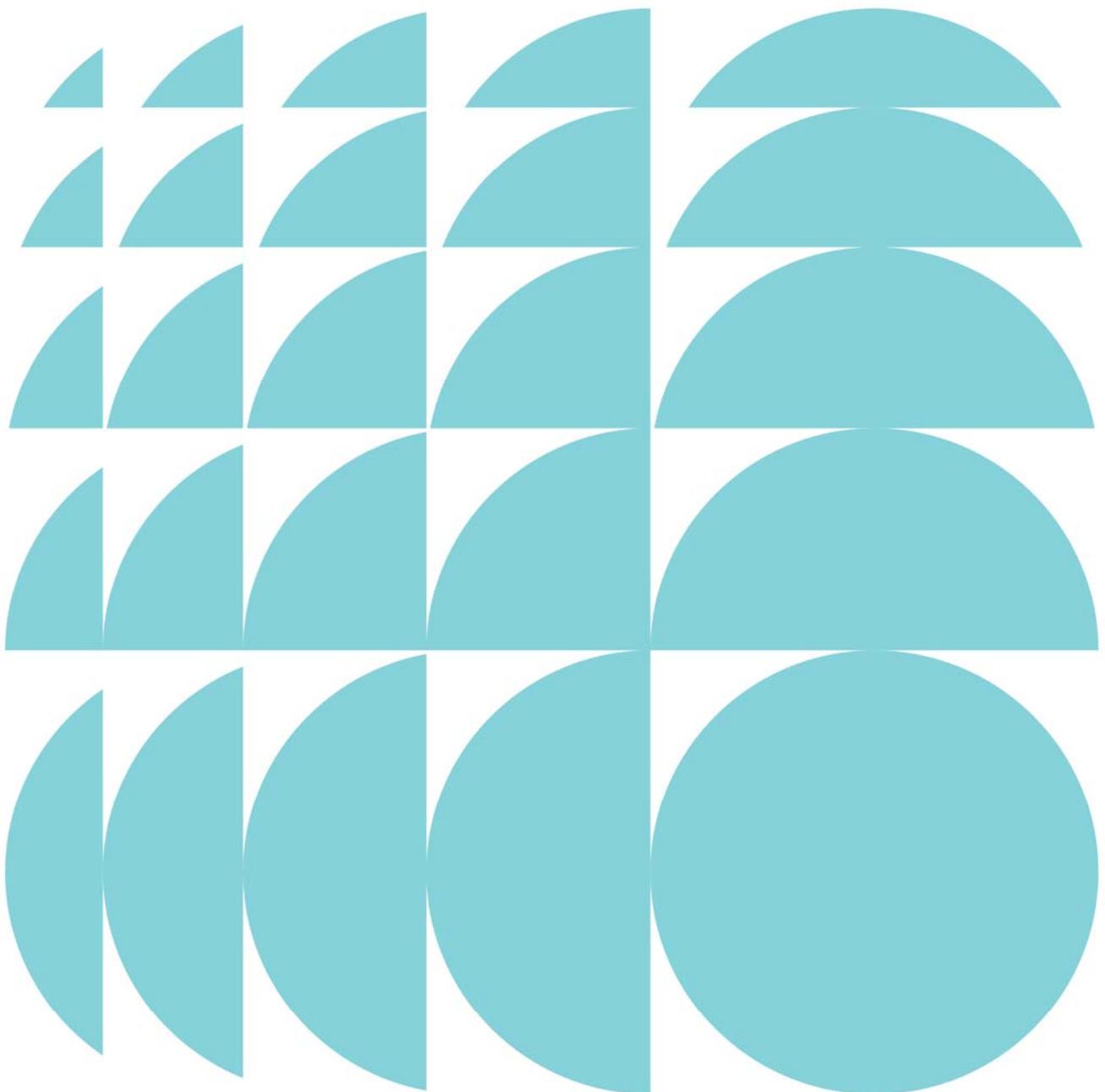
Post Gateway Review Request

355 and 375 Church Street, Parramatta
Site Specific Planning Proposal

Submitted to Department of Planning, Industry
and Environment

On behalf of Stockland

28 January 2021 | 218144



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Contents

1.0	Introduction	3
2.0	The Site	3
2.1	Existing Development	4
3.0	The Planning Proposal	5
3.1	Background	5
3.2	Proposed Planning Proposal Provisions	7
4.0	Gateway Determination	7
5.0	Gateway Review Request	8
6.0	Condition 1(c) - Take Away Food and Drink Premises Car Park Rate	8
6.1	Implications of the current Gateway Determination	8
6.2	Benefits Analysis	12
6.3	Precedent discussion	13
7.0	Condition 1(d) - Site Isolation	14
7.1	Site isolation principles	14
8.0	Original Gateway Decision Maker Review	16
9.0	Post Gateway Determination Discussions	17
9.1	Parramatta City Council	17
9.2	Department of Planning, Industry and Environment	17
9.3	Council Administrative Review Request	17
10.0	Stockland's commitment to delivery	17
11.0	Summary and Recommendations	18

Figures

Figure 1	Aerial photograph of the site	4
Figure 2	355 Church Street, Parramatta	5
Figure 3	375 Church Street, Parramatta - McDonalds	5
Figure 4	Two storey office building	5
Figure 5	385 Church Street	5

Tables

Table 1	Traffic Generation Assessment	11
Table 2	Existing Plus Development Two-Way (Sum of Both Directions) Peak Hour Traffic Flows	11
Table 3	Intersection Performance	12
Table 4	Benefits Scenario Assessment	12

Contents

Appendices

- A** Planning Proposal
Parramatta City Council
- B** Urban Design Report
Bates Smart
- C** Council letter of support
Parramatta City Council
- D** Landscape Concept Plan
Turf Design Studio
- E** Transport Report
Colston Budd Rogers and Kafes
- F** Flood Assessment
Cardno
- G** Heritage Impact Statement
NBRS Architecture
- H** Addendum Urban Design Study
Bates Smart
- I** Addendum Heritage Letter
NBRS Architecture
- J** Council Report
Parramatta City Council
- K** Council Resolution
Parramatta City Council
- L** Local Planning Panel Report
Parramatta City Council
- M** Local Planning Panel Resolution
Parramatta City Council
- N** Traffic and Parking Advice
JMT Consulting
- O** Gateway Determination
Department of Planning, Industry and Environment

1.0 Introduction

This submission has been prepared on behalf of the Stockland to accompany a request for a Review of the Gateway Determination for the Planning Proposal submitted by Parramatta City Council for 355 and 375 Church Street, Parramatta (PP_2020_COPAR_008_00).

The Planning Proposal is a result of the findings of the Parramatta CBD Planning Strategy (2015) and associated Parramatta CBD Planning Proposal (2016) (CBD PP), both of which identify the site as being suitable for increased density to support the future growth of Parramatta CBD. It seeks to amend core development standards within the LEP in accordance with the development standards Council has already recommended for the site. The purpose of the standalone Planning Proposal is to facilitate an indicative development concept that would deliver a project in keeping with the vision set by Council in the CBD PP.

A Planning Proposal request for the site, prepared by Ethos Urban on behalf of the Stockland, was submitted to Parramatta Council on 21 August 2018. Council submitted the Planning Panel to the Department of Planning, Industry and Environment (the Department) on 19 August 2020. Gateway was issued on 13 November 2020 (**Appendix O**). The initial Planning Proposal is at **Appendix A**.

The purpose of this request is to seek the deletion of Gateway conditions 1(c) and 1(d):

- **Condition 1(c)** - *Remove the proposed car parking rates for take away food and drink premises and the associated sunset clause; and*
- **Condition 1(d)** - *Include the isolated site at 383 Church Street within the proposal consistent with the Parramatta CBD Planning Proposal*

Key outcomes that this Post Gateway Review will enable include:

- Facilitate a future scheme that is compliant with the proposed planning controls under the CBD PP, including the incentive heights and incentive FSR;
- Establish design envelopes which provide a preferred option for the most appropriate quality, contributory, urban design and form whilst maintaining solar access to Prince Alfred Square;
- Facilitate a future development that integrates well with Prince Alfred Square, the intersection of Victoria Road and Church Street, and the new Parramatta Light Rail;
- Facilitate the redevelopment of the site, whilst maintaining the viability of the existing McDonald's restaurant; and
- Meet McDonald's spatial and traffic requirements which will enable redevelopment of the site and the vision set under the CBD PP to be realised.

2.0 The Site

The Planning Proposal applies to land located at 355 and 375 Church Street, Parramatta (the site) proximate to the Parramatta Central Business District (CBD) within the Parramatta Local Government Area (LGA). The site is located approximately 930 metres to the north of the Parramatta Railway Station and CBD and approximately 20 kilometres west of the Sydney CBD.

The site is located on the north-west corner of the intersection of Victoria Road and Church Street, Parramatta. The site is irregular in shape, comprises two development lots and has a total area of approximately 4,738.3m². It is legally described as Lot 1 in DP 668821 (the corner lot) and Lot 1000 in DP 791977. The site has a 57m frontage to Victoria Road, a 74m frontage to Church Street and a 26m frontage to Ross Street. An aerial photo of the site is shown at **Figure 1**.



 The Site

Figure 1 Aerial photograph of the site

Source: Nearmap and Ethos Urban

2.1 Existing Development

The south-east corner of the site (on the corner of Church Street and Victoria Road) is currently occupied by a part one (1) part two (2) storey retail / commercial building that is currently vacant (**Figure 2**). The remainder of the site accommodates an existing McDonald's restaurant including a drive-through facility (**Figure 3**) and a two (2)-storey office building (**Figure 4**).

To the immediate north of the site (385 Church Street, on the corner of Church and Ross Streets) is a three (3) storey retail / commercial building (**Figure 5**).



Figure 2 355 Church Street, Parramatta



Figure 3 375 Church Street, Parramatta - McDonalds



Figure 4 Two storey office building



Figure 5 385 Church Street

3.0 The Planning Proposal

3.1 Background

McDonald's has been trading at 355-375 Church Street since 1978, now some 42 years. During this time McDonald's has operated a very viable and successful business, largely due to the site's location on the highly prominent intersection of Church Street and Victoria Road. The present McDonald's restaurant and take away operation is supported by a dual drive-thru facility and approximately 60 at-grade parking spaces. The site also benefits from a high level of visibility and accessibility, with multiple entries and unrestricted operation (entry/exit) from both Victoria Road and Ross Street. McDonald's presence at the site for 42 years means they own the site outright and are under no commercial pressure from their business to redevelop the land in the foreseeable future.

While McDonald's may not be under any pressure to redevelop, they recognise the opportunity to modernise the quality of their restaurant for their customers and are acutely aware of the significant city shaping opportunity that their site represents for the broader Parramatta CBD. With that in mind, McDonalds entered a Joint Venture with Stockland with a view to delivering a high-quality mixed-use development outcome that responds to the vision set out for their site under the CBD PP.

3.1.1 Previous Development Application

Prior to embarking on the Joint Venture with Stockland, McDonalds had lodged a development application together with the Endeavour Property Group for a mixed-use development that included an upgraded McDonalds restaurant with 36 dedicated car parking spaces.

That application was supported by both the Parramatta Council and the RMS at the time and was reported to the then Sydney West Joint Regional Planning Panel (the Panel) in November 2015 with a recommendation for approval. Despite the Council's positive recommendation, the Panel deferred its formal determination of the matter, noting the following (emphasis added):

*"The panel considers the **development as now proposed is a lost opportunity to present a major architectural feature on this significant site which is located at the intersection of two historical roadways within Parramatta.** The Panel acknowledge the Design Excellence Advisory Panel's opinion that **substantial amendment is required to create a building of more appropriate scale and city character in this very significant location of Parramatta,** particularly given Parramatta's role as Sydney's western CBD."*

Instead of appealing the decision at the time, McDonalds took the opportunity in accordance with the Panel's advice, and teamed up with Stockland to prepare this site-specific Planning Proposal (site-specific PP) for a larger and more comprehensive design in line with the Panel's recommendation and the evolving strategic planning context for the Parramatta CBD. Unbeknown to McDonalds at the time, the proposed future CBD PP would seek to drastically reduce the parking rate to the point where it would become operationally prohibitive for McDonalds to redevelop in the future.

3.1.2 The Planning Proposal

The site-specific PP for 355-375 Church Street is a result of the findings of the Parramatta CBD Planning Strategy (2015) and associated Parramatta CBD P, both of which identify the site as being suitable for increased density to support the future growth of the Parramatta CBD. It seeks to amend core development standards within the LEP in accordance with the development standards Council has already recommended for the site. The purpose of the standalone Planning Proposal is to facilitate an indicative development concept that will deliver a project in keeping with the vision set by Council in the CBD PP. The core intended outcomes and objectives of the site-specific PP are to:

- Deliver controls and a built form outcome which is generally consistent with the Parramatta CBD PP
- Achieve design excellence on a strategic CBD site
- Achieve High Performing Buildings outcomes on a strategic CBD site
- Protect solar access to Prince Alfred Square
- Ensure a podium design that is compatible to the existing streetscape and which provides attractive active frontages to Victoria Road and Church Street
- Facilitate higher density residential development on a strategic site in immediate proximity of the future light rail, building on the principles of transit-oriented development.

The site-specific PP was lodged on 21 August 2018 and as part of the JV agreement proposal incorporated a 900m² McDonalds store together with a drive-thru and 34 parking spaces.

While the proposed McDonalds store is commercially inferior to their current operation (i.e. due to less parking spaces and less visible drive thru), McDonalds recognised the need to compromise to enable the site to be redeveloped for the betterment of the overall Parramatta CBD.

Following lodgement of the Planning Proposal, meetings were held with Council with a focus on the level of parking available for McDonalds. In response to Council's feedback, McDonalds agreed on a further reduction of car parking to 30 spaces, being half the number currently provided on site in support of the existing operation.

Following further discussions, Council officers recommended Council support for the proposed parking provision, and at its meeting of 13 July 2020, Council resolved to endorse the site-specific PP for 355 and 375 Church Street, Parramatta, including the application of a site-specific maximum car parking rate for the purpose of Takeaway food and drink premises: 1 space per 30 square metres of Gross Floor Area or 30 spaces (whichever is less).

It is noted that the Council resolved to support additional car parking for the site in a matter which departed from the CBD rates due to Council recognising the site-specific circumstances, which enabled them to be comfortable that the proposal would not establish an undesirable and unmanageable precedent in the future.

3.2 Proposed Planning Proposal Provisions

The Planning Proposal that was submitted to the Department of Planning, Industry and Environment seeks to amend Parramatta LEP 2011 for land at 355 and 375 Church St, Parramatta as follows:

- Apply the Prince Alfred Square Solar Access Plane as the height control for the site;
- Increase FSR from part 3:1/part 4:1 to 6:1 (exclusive of Design Excellence, being 6.9:1)
- Apply maximum car parking rates as follows:
 - For floorspace used for the purposes of Take Away Food and Drink Premises: 1 space / 30 square metres of Gross Floor Area or 30 spaces (whichever is less).
 - For residential and other commercial floorspace, the rates which are currently contained in the Parramatta CBD PP.

In summary, the Planning Proposal is consistent with the Parramatta CBD PP, with the exception of specifying a parking rate for the Take Away Food and Drink Premises use proposed as part of the reference design.

4.0 Gateway Determination

In its Gateway determination of the Planning Proposal, the Department of Planning, Industry and Environment determined that the proposal should proceed subject to the following conditions (amongst others):

- **Condition 1(c)** - *Remove the proposed car parking rates for take away food and drink premises and the associated sunset clause; and*
- **Condition 1(d)** - *Include the isolated site at 383 Church Street within the proposal consistent with the Parramatta CBD Planning Proposal*

Following receipt of the Gateway Determination, a meeting was held between the proponent, Parramatta City Council and DPIE on 1 December 2020. During this meeting it was highlighted to DPIE that applying the standard commercial parking rate under the CBD PP would result in McDonald's having to reduce their parking provision from 60 spaces to 3 spaces (based on a 900m² store), thereby having a significant and disproportionate impact on McDonalds' operations, and effectively resulting in an outcome that is untenable for McDonalds from a business perspective. This is highly problematic for the proposal, given that McDonalds own the site and have an existing successful business operation that will continue to be successful for the long-term future. Accordingly, any proposal that jeopardises their future business operation will unfortunately result in McDonalds being forced to make a commercial decision that it is in their best interests to remain in situ for the long-term future and not redevelop the site. This would mean that they would terminate their JV arrangement with Stockland, in turn stifling any future redevelopment opportunity much to the detriment of the Parramatta CBD and the Council's aspirations under the CBD PP.

It is also noted that this will result in an outcome that does not reflect or appreciate the differing commercial drivers and demands of the McDonalds business. Recent surveys undertaken by the RMS¹ indicate that parking demand for fast food take away outlets is far greater than that for commercial uses.

¹ 1 Trip generation and parking demand surveys of fast food outlets analysis report, September 2016 (Bitzios Consulting on behalf of Roads and Maritime Services)

A further analysis of the parking rates for this site has been undertaken by JMT Consulting and is attached to this submission (**Appendix N**). As confirmed in that advice, *‘the proposed parking provision is below the maximum rate identified for fast food outlets in the Parramatta LEP, the RMS Guide to Traffic Generating Development document and significantly lower than what would be permissible under planning controls in adjacent LGAs.’*

Parking provision on this site for McDonald’s is therefore a critical matter that needs to be addressed if the site is to be redeveloped in the foreseeable future in accordance with the vision set by the CBD PP. If the current Gateway Condition is to remain then this will unfortunately inevitably result in McDonalds remaining on site in their current arrangement for the long-term future.

As requested by Condition 1(d), introducing the isolated site to this Planning Proposal would result in further potential cost and delay to Stockland, and would have the likely effect of slowing down the finalisation of this Planning Proposal. In addition, the same planning controls for the isolated site that would be inserted into this site-specific PP in response to this Gateway condition are already progressing towards resolution as part of the Parramatta CBD PP process and is therefore unnecessary. Further analysis of site isolation is discussed at **Section 6.0**.

It is noted that Condition 1(d) identifies the adjoining site as 383 Church Street, however the street address is 385 Church Street according to Six Maps and the Department’s Planning Portal (<https://www.planningportal.nsw.gov.au/>).

5.0 Gateway Review Request

In accordance with Section 6.4 of the Guide to Preparing Local Environmental Plans a proponent may request the Minister or delegate alter a Gateway determination when a Gateway determination is made that (emphasis added):

- (a) *the planning proposal should not proceed*
- (b) *the planning proposal should be resubmitted to the Gateway, or*
- (c) ***imposes requirements (other than consultation requirements) or makes variations to the proposal that the proponent or council thinks should be reconsidered.***

Stockland is requesting a post Gateway review of the conditions dated 13 November 2020, and identified at **Section 4.0**.

Section 5.0 and **Section 6.0** provides a justification for why an alteration of the Gateway determination is warranted with respect of Condition 1(c) takeaway food and drink premises car park rate and Condition 1(d) site isolation, respectively. **Section 7.0** outlines, where relevant, responses to issues raised by the original Gateway decision maker.

6.0 Condition 1(c) - Take Away Food and Drink Premises Car Park Rate

6.1 Implications of the current Gateway Determination

In recognition of the limitations that the commercial rate imposes (as outlined in Section 2.0 and 4.0 of this report) and the unique nature of the takeaway food and drink premises operation requirements, on 13 July 2020 Council resolved to support a rate of 1 space per 30m² of floorspace for that use, up to a maximum of 30 spaces. The Gateway Determination will reduce the car parking to a maximum of 3 spaces.

The decision by Council in July was not made lightly and fully acknowledged that allowing this site-specific rate provided an appropriate pathway to address the unique situation of McDonalds as the only drive-thru takeaway food and drink premises located within the area covered by the CBD PP.

Councillors and Council officers also recognised that the proposed parking rate would enable the achievement of a balanced outcome that reduces McDonalds’ current parking provision on the site by 50%, but importantly still enables them to maintain a commercially viable operation.

This was rightly recognised as being critical to enabling Stockland to satisfy its obligations under the Joint Venture arrangement with McDonalds, thereby releasing the site for its future redevelopment as proposed under the site-specific PP.

Ultimately and most importantly the Councillors and Lord Mayor were acutely aware of the need to redevelop what is currently an unattractive landmark site at the northern entry to the Parramatta CBD. They understood that by endorsing the proposed parking rate, this would allow this site to be redeveloped in the near future, and in doing so catalyse further investment and broader renewal of the area north of the Parramatta River in accordance with the CBD PP.

Should the site-specific parking rate not be supported, redevelopment would reduce McDonalds' parking from 60 existing spaces, to 3 spaces. This will not be feasible for McDonalds ongoing operations and the site will remain in its current state into the future, which will be a significantly missed opportunity to kick-start the regeneration movement for the Parramatta CBD, particularly north of the Parramatta River.

6.1.1 Alignment with draft Parramatta CBD Planning Proposal

The Parramatta CBD PP sets out several Objectives and Intended Outcomes, all of which are focussed on facilitating and strengthening the Parramatta CBD as a metropolitan centre. To achieve this the proposed planning controls have been drafted with the specific purpose of *'expanding and intensifying commercial activities and support higher density mixed use and residential development.'*

The Planning Proposal is deliberately designed to respond to the vision for Parramatta as set out in the Council's CBD PP. Stockland, as one of Australia's leading developers, is committed to delivering a high-quality development that will positively contribute to the Parramatta CBD, and in doing so act as a catalyst for other regeneration projects in the CBD area north of the Parramatta River.

In this regard, the site-specific PP will make some significant contributions to achieving the Objectives and Intended Outcomes of the CBD PP. In particular it will:

1. **Reinforce Parramatta CBD as the Metropolitan Centre role for the Central City** – Once delivered the project will provide a new high quality large scale dual tower mixed use development that will clearly signify and reinforce Parramatta CBD as a key Metropolitan Centre, and of particular importance, it will activate the area north of the Parramatta River.
2. **Increase the capacity for new jobs and dwellings so as to create a dynamic and diverse city and meet targets in the Central City District plan** – Once delivered the project will include some 1,350m² of non-residential floorspace and approximately 350 residential apartments, thus increasing capacity for new jobs and dwellings in the CBD.
3. **Deliver public works upgrades that will encourage a high quality and activated public domain with good solar access** – The project will provide significant public benefits in the form of new footpaths, street furniture and other public improvement works (including works to Prince Alfred Square) that will significantly improve the quality of pedestrian and general amenity in the area, and in doing so encourage and support a more activated CBD environment.
4. **Strengthen opportunities for the provision of high-quality commercial floor space** – The proposed concept includes some 1,350m² of non-residential floorspace on the outer fringe, where there is currently less high-level commercial floor space.
5. **Future proof the city through efficient and sustainable use of energy and resources** – The proposed development will include efficiency and sustainability measures designed to maximise the buildings environmental performance.
6. **Ensure tall buildings are of an appropriate form for their size and context** – The proposal has been designed to be strictly in accordance with the building height, solar access plane and envelope provisions of the CBD PP. In this regard it will deliver a tall building outcome that is of an appropriate form and size for its context.

7. ***Protect and manage the heritage values of Parramatta's local, State, national and world significant European and Aboriginal heritage items, conservation areas, heritage interface areas, places and views*** – The proposed development has been designed to respond to the controls set for the site under the CBD PP and has also been designed taking into account the site's relationship to nearby heritage items including Prince Alfred Square, St Patricks Cathedral and the buildings within Our Lady of Mercy College. Further detailed work on heritage will be undertaken to inform future design development with a view to delivering an outcome that exhibits design excellence and positively embraces the surrounding heritage context.
8. ***Promote active transport and use of public transport through the provision of new residential dwellings directly adjacent to a future Parramatta light rail route*** – The proposed development will deliver some 350 new dwellings and 1,350m² of non-residential floorspace directly adjacent to a future light rail route. While McDonald's will have parking, the development (as a whole) will maximise the use of this new public transport infrastructure. Of importance is the fact that up to 950 people are anticipated to be living in the development once complete, many of which will look to use the light rail as a form of commuting or getting to and from the centre of the Parramatta CBD.
9. ***Advocate for regionally significant transport infrastructure to connect residents within 30 minutes to jobs, education and health facilities, services and recreation including the Parramatta light rail and Sydney West Metropolitan rail link*** – Redevelopment of the site will locate some 950 new residents in the Parramatta CBD with access to light rail, bus and train services, as well as jobs situated in the Parramatta CBD itself. To this end the project will significantly advocate and support the aspiration of the 30-minute city.

As demonstrated above, the proposal in its current form delivers on all the relevant Objectives and Intended Outcomes for the CBD PP. It is also entirely consistent with every element of the CBD PP, with the one exception of the need for a higher parking rate to enable McDonalds to continue their 42 year operation on the site in a commercially viable manner. Achieving this is critical to the site's future redevelopment, as without it, McDonalds will be better placed to make the business decision to remain operating in their current configuration. Future investment and development applications would be grounded in the existing development approval and only make incremental improvements to their building to enable it to carry on into the long-term future.

Parramatta Council, the former Sydney West Joint Regional Planning Panel, Stockland and McDonalds all acknowledge that an outcome where the site remains as-is would be a significant lost opportunity for all parties involved, and the broader public interest. Most importantly it would be a major lost opportunity to deliver a large-scale high-quality redevelopment project north of the Parramatta River that would renew an unsightly gateway site. Indeed, redevelopment of this site as the first in the area would send a clear message about the bright future of Parramatta and would catalyse further investment and renewal in the area.

6.1.2 Traffic Impact Assessment

Traffic Generation

A key question that arises in relation to the proposed car parking rate is 'what are the impacts of the proposed development with the increased parking rates?'

To answer this question Stockland engaged CBRK to undertake a detailed traffic model analysis to determine the future impact on the local road network as a result of the proposal. CBRK have worked on McDonald's projects for well over a decade and are considered the pre-eminent traffic advisers for the project given their intimate knowledge and experience with McDonalds' operations.

In undertaking their analysis, CBRK were able to confirm that McDonald's traffic generation is likely to reduce from its current levels due to the reduction in on-site parking (50%) and the reduced visibility of the drive thru and parking area from the street. Based on the operation of the existing McDonalds, approximately two thirds of traffic generated is from on-site parking with the balance using the drive thru. Accordingly, reducing parking by approximately 50% is likely to reduce McDonald's traffic generation by approximately 30%.

Table 1 summarises the existing and estimated future traffic generation for the indicative development concept.

Table 1 Traffic Generation Assessment

Component	Size	Rate		Traffic Generation	
		AM	PM	AM	PM
Existing				240	275
Residential	358 units	0.19/unit	0.15/unit	+68	+53.7
Retail/Commercial	1 spaces	0.3/space	0.3/space	+0.3	+0.3
Restaurant (McDonalds)	30 spaces			-72	-82
Total (Proposed)				236.3	247
Result				-3.7	28 less movements

This shows that the vehicular trip generation to and from the site would reduce under the redeveloped scenario compared to the current situation. Specifically, the traffic surveys and modelling identified that the current McDonalds operation generates some 275 vehicle trips per hour (2 way) in peak periods, with this reducing to 247 vehicle trips per hour (2 way) under the proposed redeveloped scenario for the entire mixed-use development. This means that the proposed concept will result in 4 and 28 less vehicles movements per hour (two way) in the weekday morning and afternoon peak hours respectively. Accordingly, notwithstanding significant density, and 350 dwellings being added to the site, the indicative development concept will be consistent with the Council's stated objective for the CBD PP, which is to avoid or mitigate additional demand on the road network by facilitating a nett reduction in traffic generated from the site compared to the existing scenario.

Intersection Performance

Traffic surveys in the AM and PM peak were undertaken by CBRK at key intersections surrounding the site. A summary of the existing traffic conditions and forecast future traffic conditions inclusive of the indicative development concept is provided at **Table 2**. Intersection performance has been determined using SIDRA modelling. The findings are summarised below at **Table 3**.

Table 2 Existing Plus Development Two-Way (Sum of Both Directions) Peak Hour Traffic Flows

Road	AM Existing	AM + Dev	PM Existing	PM + Dev
Church Street				
– north of Ross Street	1,565	+20	1,715	+10
– north of Victoria Road	1,535	-5	1,720	-10
– south of Victoria Road	665	-10	625	-5
Victoria Road				
– east of Church Street	2,460	-10	2,280	-15
– east of Site Access	1,320	-5	1,305	-20
– east of Villiers Street	1,330	+5	1,340	-5
– west of Villiers Street	1,135	-10	1,055	-20
Ross Street				
– east of Church Street	75	+0	110	+0
– east of Site Access	155	+5	165	+10
– east of Villiers Street	145	+20	165	+30
– west of Villiers Street	345	+5	130	+5
Villiers Street				
– north of Ross Street	650	+0	495	+5
– north of Victoria Road	535	+15	510	+20
– south of Victoria Road	680	+0	745	-10
Site Accesses				
– Ross Street	125	+25	135	+40
– Victoria Road	115	-30	140	-70

Table 3 Intersection Performance

	Existing Average Delay	Existing Level of Service	Planning Proposal Average Delay	Planning Proposal Level of Service
Church Street / Victoria Road	Less than 40 secs	C	Less than 40 secs	C
Victoria Road / Villiers Street	Less than 40 secs	C	Less than 40 secs	C
Ross Street / Villiers Street	Less than 10 secs	A	Less than 10 secs	A
Church Street / Ross Street	Less than 10 secs	A	Less than 10 secs	A
Ross Street access	Less than 15 secs	A/B	Less than 10 secs	A
Victoria Road access	Less than 40 secs	C	Less than 10 secs	A

SIDRA modelling shows that the overall impact on the surrounding road network and intersection performance is positive overall. The Church Street / Victoria Road and Victoria Road / Villiers Street intersections will continue to operate with a satisfactory level of service C. The Ross Street / Villiers Street and Church Street / Ross Street intersection will continue to operate with a Good Level of service A.

Access arrangements at Victoria Road and Ross Street will be improved as a result of the Planning Proposal with delays reducing from 40 seconds to 10 seconds and performance improving from level of service C to level of service A at Victoria Road. Ross Street also experiences improved operation.

The technical assessment therefore shows that the surrounding road network can accommodate the indicative development concept, moreover that the Planning Proposal and resultant indicative concept, will in fact improve the performance of the local road network.

By comparison should the site remain under the current configuration, traffic generation in the CBD will be higher than under a post-development scenario with no housing being located on the PLR. Further, the site would not contribute to the achievement of the broader strategic outcomes sought by the CBD PP.

6.2 Benefits Analysis

To assist with the further consideration of this matter, a benefits summary is provided at **Table 4** below that compares the site-specific outcomes under a redevelopment vs no redevelopment scenario.

Table 4 Benefits Scenario Assessment

Objective	Scenario A: Development Proceeds*	Scenario B: Development does not proceed*
<i>*McDonalds Parking Allowance</i>	<i>Maximum 30 spaces</i>	<i>Maximum 3 spaces</i>
Urban renewal of key site: <ul style="list-style-type: none"> at intersection of two historical roadways; opposite the significant and historic Prince Alfred Park which is the gateway of the Parramatta CBD north of the river; and that is the face of Parramatta north of the river. 	✓	X
Creation of a more appropriate built form scale and civic character as recommended by the JRPP and consistent with the CBD PP.	✓	X
Support the Government's investment in Light Rail by increasing commercial floorspace and adding residential dwellings adjacent to a Light Rail stop.	✓	X
Reduce overall traffic generation from the site during peak periods	✓	X
Reduce the traffic impact of McDonalds by halving the number of parking spaces	✓	X
Remove the highly visible dual-lane McDonalds drive thru and replace with internalised driveway, resulting in significant reduction in use of the drive thru facility and car parking.	✓	X
Contributions toward community infrastructure and upgrades to Prince Alfred Park upgrade	✓	X

Objective	Scenario A: Development Proceeds*	Scenario B: Development does not proceed*
Parramatta CBD PP Objectives and Intended Outcomes		
Reinforce Parramatta CBD as the Metropolitan Centre role for the Central City	✓	X
Increase the capacity for new jobs and dwellings so as to create a dynamic and diverse city and meet targets in the Central City District plan	✓	X
Deliver public works upgrades that will encourage a high quality and activated public domain with good solar access	✓	X
Strengthen opportunities for the provision of high-quality commercial floor space	✓	X
Future proof the city through efficient and sustainable use of energy and resource	✓	X
Ensure tall buildings are of an appropriate form for their size and context	✓	X
Protect and manage the heritage values of Parramatta's local, State, national and world significant	✓	X
Promote active transport and use of public transport through the provision of new residential dwellings directly adjacent to a future Parramatta light rail route	✓	X
Advocate for regionally significant transport infrastructure to connect residents within 30 minutes to jobs, education and health facilities, services and recreation including the Parramatta light rail and Sydney West Metropolitan rail	✓	X

6.3 Precedent discussion

Provision of a bespoke parking rate for a specific land use on the site at 355-375 Church Street is considered appropriate in this instance as it will not provide a situation that creates an undesirable and undefendable precedent for other sites within the defined CBD area. Specifically, it is noted that:

- a. Parramatta LEP 2011 currently contains a parking rate relevant to the proposed use (allowing 37 spaces), however, the draft controls currently contained in the Parramatta CBD PP do not. This is because the draft Parramatta CBD PP adopts City of Sydney rates, which do not include a specific rate for the use in question. This cannot be asserted for many other traffic generating uses within the defined CBD area. Inclusion of a site-specific parking solution is an entirely valid way to address the unique circumstances that surround this site.
- b. This site is currently the only Take Away Food and Drink Premise with a drive-thru and seating located on an arterial road in the Parramatta CBD PP area. Setting a rate for this specific land use at this particular site does not set a precedent for reconsidering the parking rates otherwise consistently applied to site-specific PP seeking to proceed ahead of the Parramatta CBD PP.
- c. Developing a bespoke rate for this use at this site provides an opportunity to “unlock” redevelopment of this site in line with the Parramatta CBD PP, whilst carefully balancing this with traffic impacts, noting that it is highly unlikely that any other site would be able to assert the same argument that the proposed parking rates and resultant provision will not increase traffic volumes or vehicle delays under a redeveloped scenario when compared with the existing situation.
- d. A bespoke rate for this land use will provide development assessment officers with an appropriate policy framework and tool for considering and assessing any future DA involving this land use.
- e. As noted earlier in this letter the Council also made their decision to support the site-specific car parking rate on the basis that they recognised unique circumstances surrounding this site, and are comfortable that the proposal would not establish an undesirable and unmanageable precedent in the future.

7.0 Condition 1(d) - Site Isolation

Condition 1 of the Gateway Determination requires that the Planning Proposal be amended:

(d) to include the isolated site at 383 Church Street within the proposal consistent with the Parramatta CBD Planning Proposal.

The effect of this amendment would be that the site at 385 Church Street would be subject to the same uplift in height and FSR as 355-375 Church. However, to remain consistent with the Parramatta CBD PP, the site-specific PP would also need to provide that 385 Church could only access the full extent of the uplift where the site area for any development application satisfies the sliding scale provisions consistent with the CBD PP.

Despite the sliding scale provisions, including 385 Church in the site-specific PP would provide an uplift in height and FSR for that site, even it was developed alone. This very same uplift will be available to the site when the CBD PP is finalised. However, Council's Planning Agreement policy would not allow the smaller site to be included in the site-specific PP unless the owner of that site has entered into a voluntary planning agreement.

The Department's assessment stated that amalgamation of the site with 385 Church Street would facilitate a better planning outcome. While this is not in dispute, the fact remains that Stockland has demonstrated that considerable efforts have been made to acquire 385 Church Street over a number of years, as outlined below. However, the landowner is not a willing seller.

It is noted that the requirement to include the isolated site will impact on the progress of the site-specific PP. There is a high risk that the need to negotiate a VPA with the adjoining landowner (which would be expected under Council's Community Infrastructure policy, even if the sites developed separately) could significantly delay progress of the Planning Proposal for the site.

The controls to apply to the isolated site are those contained in the draft CBD PP which has already been exhibited. Given that the site-specific PP still requires the resolution of the DCP and VPA before it can be exhibited it is likely that the CBD PP controls will be put in place for this site before the site-specific PP can be finalised. This means all the resources that go into including the site, such as negotiating a VPA and DCP with the landowner of 385 Church st, are effectively wasted. It should be noted that the progression of the site-specific PP for the McDonalds site is necessary so Council and the Department can consider the site specific parking provisions. If it was not for the amended parking provisions the same argument would apply to this site specific PP outright, as it is otherwise only seeking to impose controls consistent with the CBD PP.

Stockland is concerned about the implications of the inclusion of 385 Church for the timing of the processing of this planning proposal. Including the isolated site requires Council to pursue a VPA with the owner of the isolated site adjoining site under its current policy framework, even though that owner has had no part in the Planning Proposal process. It is evident that there is no incentive for the landowner of 385 Church to enter into a VPA as part of the site-specific PP, because their site will receive an identical uplift under the CBD PP without the need for a VPA. A VPA would not be otherwise be required unless the owner of 385 Church chooses to lodge a development application in the future, which includes uplift under the sliding scale provisions of the future CBD LEP.

As a result, there is the potential for this process to significantly delay the progress of this Planning Proposal and in an environment where both the Department and Council are putting in place processes to accelerate the progression and finalisation of Planning Proposals the unnecessary (for the reasons identified in the previous paragraph) inclusion of additional sites seems inconsistent with this broader policy direction.

7.1 Site isolation principles

In accordance with Land and Environment Court (LEC) Planning Principles pertaining to site isolation as established within *Karavellas v Sutherland Shire Council [2004] NSWLEC 251*, Stockland has demonstrated best endeavours to amalgamate with the land (see Section 7.1.9 of the Planning Proposal prepared by Ethos Urban). In summary:

- Evidence has been provided to Council that demonstrates that Stockland has made multiple genuine attempts to acquire the land from the existing landowner of 385 Church Street, despite this agreement cannot be reached with the landowner; and

- It has been demonstrated through a detailed urban design analysis that orderly and economic use and development of the land at 385 Church Street can be achieved under the CBD planning controls if amalgamation does not occur.

In seeking to address this point, the indicative development concept has been designed with consideration of the adjoining property. Specifically, several design measures have been adopted to ensure the orderly and economic development of 385 Church Street can be achieved, including:

- Greater separation has been provided between the South Tower and 385 Church Street.
- The setback from the North Tower from the side boundary of 385 Church Street has been maximised.
- The podium height has been designed to positively respond to the existing building on 385 Church Street in terms of both its height and its built to boundary setbacks. This approach will enable any future redevelopment of 385 Church Street to also be built to boundary, therefore maximising its development potential.
- The indicative development concept seeks to minimise the number of apartments in the north tower that face 385 Church Street.
- Living areas of the closest apartments in the North Tower have been oriented to have a primary aspect to Ross Street and incorporate fixed privacy louvres to bedrooms that face 385 Church Street to prevent overlooking by any future development.

The design measures listed above will ensure that the redevelopment of the subject site will not result in overlooking or privacy issues for any future development of the adjoining lot. The built to boundary walls of the podium structure and increased tower setbacks will also enable greater solar access and a suitable amenity for any future development on the adjoining site.

The outcome as it relates to an assessment of the potential isolation of 385 Church Street are acceptable, particularly given:

- The adjoining property will be rezoned as part of the CBD PP.
- Stockland's massing for the subject site mirrors the CBD PP.
- Genuine and reasonable attempts have been made to purchase the adjoining site based on a fair market value informed by a recent independent valuation.
- The orderly and economic use and development of 385 Church Street can still be achieved separately to the redevelopment of the subject site.
- It has been demonstrated in detail within the Design Report (**Appendix B**), that an appropriate design and built form outcome can be achieved for land at 385 Church Street. Furthermore, the buildings on both sites will not result in unreasonable impacts on each other with regards to solar access, visual and acoustic privacy.
- The redevelopment of 385 Church Street separately to the redevelopment of the subject site would not detract from the character of the streetscape and will achieve a satisfactory outcome with regards to height, floor space ratio and built form.

Accordingly, there is sufficient justification for the proposal to exclude 385 Church Street from the proposal.

Notwithstanding, should an agreement be reached with the landowner, the exclusion of 385 Church Street from the site-specific PP would not prevent the inclusion of the isolated site at a later date to a consolidated development application. The isolated site would be subject to uplift under the CBD PP by the time a DA were to proceed, and Council may require an additional VPA to secure any bonus floorspace generated by the isolated site in accordance with the final CBD PP, should that be proposed.

8.0 Original Gateway Decision Maker Review

The following comprises a response to issues raised by the Department in its Gateway Determination Report the following conclusion was made:

Department Comment

*The Department notes that the Parramatta CBD Strategic Transport Study supporting the CBD PP states that the **current road network has limited capability to expand; and new surface transport infrastructure like light rail further impacts on the road space allocation for private vehicles.** Furthermore, while provision of public transport is a State Government responsibility, Council can **actively contribute to encourage mode shift for commute trips** by reducing the capacity to support on-site car parking in future developments and work with the State Government to manage congestion.*

Response

Mode shift will occur for all uses at the site, with the non-takeaway restaurant uses having parking rates that align with the CBD PP. The McDonalds car parking will also reduce significantly, from 60 spaces (existing) to 30 spaces (proposed) being a 50% reduction that will also result in a 30% traffic generation reduction. This means the overall impact of the proposal would be a reduction to traffic movements compared to the existing scenario, while delivering the CBD PP objective of ‘*expanding and intensifying commercial activities and support higher density mixed use and residential development*’. By reducing the vehicle trip generation, the site both actively contributes to mode shift and reduces demand on the local street network.

Further, the Department’s comments highlight the need to encourage mode shift for commuter trips. Traffic movement from the McDonalds restaurant does not align with the peak ‘commuter’ times and the restaurant is not an attractor during peak hours, meaning peak hour capacity concerns do not apply to the McDonalds operation. Based on the above, the Department can be satisfied the site-specific rate addresses the issues raised in the original assessment.

Department Comment

The Department agrees that the proposed car parking rates for takeaway food and drink premises will create a precedent for other development in the CBD ...

Response

As outlined above due to the unique attributes of the site and the site-specific nature of the proposal it is considered appropriate in this instance as it will not provide a situation that creates an undesirable and undefendable precedent for other sites within the defined CBD area (see **Section 6.2**).

Department Comment

... and is inconsistent with the long-term strategic plans for the Parramatta CBD as the Central City.

Response

As outlined at section 6.1.1, notwithstanding the proposed parking solution that is specific to the Stockland site, the proposal is consistent with the Parramatta CBD PP which seeks to give effect to the long term strategic plans, objectives and intended outcomes for the CBD as the Central City.

Department Comment

Furthermore, mode shift towards public and active transport will already be occurring when the PLR Stage 1 becomes operational in 2023 by which time a development on the site may have received development approval and be under construction. Given the value of car parking in a CBD location, the Department is uncertain about the likelihood of its adaptive reuse.

Mode shift would occur throughout the development by reduced residential and non-takeaway food and drink commercial parking rates. The proposed solution for McDonalds parking is to deal with the key issue of ongoing viability for the restaurant, which in turn enables the site to be redeveloped in accordance with the CBD PP.

The McDonald's drive thru has been deliberately designed to enable alternative uses in the future if the restaurant was to no longer operate a drive thru at this site. The space is large enough to accommodate a range of uses, including expanded commercial/retail floorspace or a future Innovation and Community Hub. An options analysis has been prepared by Bates Smart and is provided at the Design Report submitted with the Planning Proposal at **Appendix B**.

Department Comment

amalgamation of the site with 385 Church Street would facilitate a better planning outcome...

Response

Introducing the isolated site to this Planning Proposal would result in further potential cost and delay to Stockland, and would have the likely effect of slowing down the finalisation of this Planning Proposal. In addition, the same planning controls for the isolated site that would be inserted into this site-specific PP in response to this Gateway condition are already progressing towards resolution as part of the Parramatta CBD PP process. Refer to detailed discussion at **Section 6.0**.

9.0 Post Gateway Determination Discussions

9.1 Parramatta City Council

Stockland met with representatives of Council on 19 November 2020. Council reaffirmed their support for the proposal and the submission of a Post Gateway Review. A letter of support is provided with this application at **Appendix C**.

9.2 Department of Planning, Industry and Environment

Stockland met with representatives of the Department on 1 December 2020 to discuss the Gateway. This submission seeks to address the matters raised as part of that meeting.

9.3 Council Administrative Review Request

Council officers wrote to the Department on 23 December 2020 to request an administrative review of the Gateway determination, seeking deletion of Gateway conditions 1(c) and 1(d) in line with the Council's position on the Planning Proposal. At the time of writing, a response is awaited.

10.0 Stockland's commitment to delivery

As one of Australia's leading developers, Stockland are well placed and committed to delivering this high-quality project in accordance with the vision and objectives outlined in the Parramatta CBD PP. Early commencement of a project of this scale in the Parramatta CBD will be instrumental in assisting with the broader renewal and growth aspirations for the Parramatta CBD, particularly as the country seeks to recover from the economic impact of Covid 19. Indeed, a development of this nature occurring shortly after finalisation of the CBD PP would send a very strong and clear message to the development industry and broader community about the bright future of Parramatta and that it is a desirable location to invest.

While Stockland have a strong level of commitment and dedication to delivering the project, they are ultimately just one half of a Joint Venture arrangement with McDonalds, who as the landowner need to ensure that any redevelopment proposal meets their operational requirements. If that can't be achieved, then Stockland have no way of delivering the project as McDonalds will be forced to remain on site in their current arrangement for the long term future.

Stockland strongly believe that not progressing with the project as proposed would be a significant lost opportunity to realise a high quality design and regeneration outcome on a key site within the CBD. Indeed, redevelopment of the land would enable the achievement of an outcome that balances the need to remain true to the vision, objectives and intended outcomes of the CBD PP, with the need to recognise and respond to tangible market realities of this highly important and prominent site. An outcome of this nature will result in a development that:

- wholly satisfies the Objectives and Intended Outcomes of the CBD PP;
- delivers an architecturally designed scheme that achieves design excellence and which positively enhances the CBD's built form environment;
- delivers a wide range of public benefits, including works in kind in the public domain as well as significant monetary contributions to the Council's capital works programme;
- Creates jobs and provides housing in a highly desirable location that supports existing and future public transport infrastructure;
- Catalyses further investment and renewal in the area north of the Parramatta River; and
- provides the opportunity to remove the existing unsightly buildings on the corner of Church Street and Victoria Road.
- replaces McDonald's current operation with a new high-quality store with 50% reduction in current parking.

11.0 Summary and Recommendations

This Report has responded to the issues raised by the Department of Planning, Industry and Environment in its Gateway Determination for the Planning Proposal.

In light of the points raised within this report as well as the Council's resolution of 13 July 2020, we respectfully request that the Gateway determination be amended to delete the conditions which would prevent the application of a site-specific solution to car parking proposed in site-specific PP that will enable the site to be redevelopment in a manner that allows McDonalds to continue to viably operate while delivering redevelopment of this strategically important gateway site, consistent with the vision of the CBD PP.

It is also requested that 385 Church Street not be required to be included in the subject Planning Proposal.

Accordingly, it is requested that the Gateway be reviewed to delete Condition 1(c) and Condition 1(d).